

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 535 - SB 672

March 17, 2013

**SUMMARY OF BILL:** Requires a referendum to be held prior to implementation of any amendment to a growth plan; requires the local governing body to provide voter registration information and notice by mail to all potentially-annexed or impacted property owners. If any portion of the amended growth plan fails to be approved, it shall be removed from the amended growth plan and shall continue to exist in accordance with the plan in existence prior to the proposed amendment.

**ESTIMATED FISCAL IMPACT:**

**Increase Local Expenditures – Exceeds \$15,000\***

**Other Fiscal Impact – Any fiscal impact to property tax revenue for local governments is dependent upon multiple unknown factors and cannot be determined.**

Assumptions:


- According to the Division of Elections, the cost of the referendum would depend upon the number of eligible voters within the affected area. Costs are estimated to range from \$4,800 to \$9,575 per election.
- According to County Technical Assistance Service (CTAS), growth plans are amended frequently by local governments.
- If a referendum occurs during a regularly-scheduled election, it is estimated there will be no increase in local expenditures; however, assuming three amendments to growth plans are proposed yearly by local governments, and the referendum is not held in conjunction with a regularly-scheduled election, it is reasonably estimated the recurring increase in local government expenditures will exceed \$14,000 statewide.
- The number of potentially-annexed or impacted property owners is unknown; therefore, the number of notifications required to be sent statewide is unknown. However, the recurring increase in local government expenditures is reasonably estimated to exceed \$1,000 per year statewide.

- Due to several unknown variables, such as the number of local governments amending growth plans, the extent of amendments made to growth plans, the value of any properties impacted by such amendments, the extent of subsequent development that would occur on any property, and whether majority vote was to accept all amendments to growth plans, the fiscal impact to local government revenue cannot be determined.

*\*Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

**CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise". The signature is fluid and cursive, with the first name "Lucian" written in a larger, more prominent script than the last name "Geise".

Lucian D. Geise, Executive Director

/jrh